

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

December 11, 1963

MEMORANDUM TO HEADS OF DEPARTMENTS AND AGENCIES

PERSONAL AND URGENT

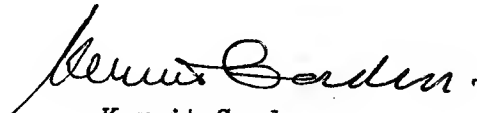
Enclosed is a copy of a statement which the President made this afternoon to the Cabinet. The President's statement makes abundantly clear his decision to tighten management and hold down employment in the Federal Government.

Cabinet members were asked at the meeting to make a personal and searching review of their 1965 budgets, and to find further reductions in expenditures and personnel beyond those already made in the budget review process.

The purpose of this memorandum is to direct the President's request to all agency heads.

At the President's direction, I ask:

- (1) That you undertake immediately a personal reexamination of the appropriation, expenditure, and employment figures contained in the most recent tentative allowance which you have received from the Bureau of the Budget. (Bureau officials will be in touch by telephone with those few agencies which have not yet received tentative allowances.)
- (2) That you identify those further reductions in appropriations, expenditures, and personnel (stated separately for end-of-year employment in permanent and in other positions) which can be achieved through tighter management, better personnel utilization, postponement of program expansions, curtailment of programs which are not of the highest urgency, and other steps appropriate to a time of severe budgetary stringency.
- (3) That you notify me in writing of the nature and amount of these reductions by 6:00 p.m., Friday, December 13, so that the President may proceed without delay in his personal review of each agency's submission.

  
Kermit Gordon  
Director

Enclosure

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IMMEDIATE RELEASE

DECEMBER 11, 1963

Office of the White House Press Secretary

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THE WHITE HOUSE

STATEMENT OF THE PRESIDENT TO  
THE CABINET

In my memorandum of November 30, I asked each of you

"To press ahead vigorously with your program for manpower control and utilization which you developed in response to President Kennedy's directive of October 11, 1962.

"To hold agency employment at or below the personnel targets established in response to President Kennedy's statement to the Cabinet of September 23, 1963."

You and I know we can hold the line on employment without causing real damage.

I am depending on your personally to deal with this problem.

Nine out of ten Government employees do a full day's work for a day's pay -- but I want that tenth man to measure up also.

We need to:

- Cut out excessive paperwork because it breeds overstaffing.
- Measure workloads carefully.
- Strip down overly elaborate organizations.

In short, I want you to give as much attention to management as you do to your programs.

For fiscal year 1965, the Budget Director must have your full support in carrying out my directive to hold down Government employment. The 1965 Budget total for year-end civilian employment must be held below the levels in the 1964 and 1963 budgets. This can be done.

Your budgets should reflect economies from better management and higher productivity resulting from improved methods, procedures, organization, and employee incentive. A good manager can do all of this.

I intend to disapprove any budget request for more personnel except where the facts leave me no choice.

This means that I will grant increases only when they are absolutely necessary to meet fixed commitments; to properly carry out new legislation, and to do work of the highest national priority.

MORE

-2-

Federal employment has, by your efforts, been held well below the growth rate of our population and our economy.

Regular civilian employment grew only by 686 persons from October 31, 1962, to the same date in 1963.

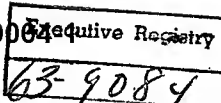
If it had followed the trend of State and local government it would have risen by 106,000.

But these facts do not justify a continued upcreep in Federal employment.

They do not justify us in having ten thousand, or one thousand, or even one hundred more employees than we need.

# # # #

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	DCI	11/8	DCI/WZ
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ACTION		DIRECT REPLY	PREPARE REPLY
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COMMENT		FILE	RETURN
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<b>Remarks:</b>  Copies have been sent to: (for info) only  DDCI DD/I DD/P DD/S DD/S&T IG OGC Office of Budget/Programs Analysis and Manpower			
FOLD HERE TO RETURN TO SENDER			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
O/Executive Director			12 Nov 63
UNCLASSIFIED		SECRET	



EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D.C.

*De/WR*

DEC 7 1963

OFFICE OF  
THE DIRECTOR

Honorable John A. McCone  
Director of Central Intelligence  
Washington, D. C.

Dear Mr. McCone: *John*:

A number of inquiries have come to me concerning the appropriate procedure for responding to the President's memorandum of November 30, 1963, in which he asked each agency head for a report on cost reductions achieved in calendar 1963 and planned for 1964.

I believe that the President expects a personal response from each agency head, rather than an institutional type of submission. At the same time, I think it would be desirable to maintain a certain degree of consistency in the content and presentation of the material, so that it can be analyzed meaningfully by the President and his staff.

Hence I thought you might find it useful if I were to suggest the general points that might be covered, leaving the rest to your judgment.

I suggest that your report might well begin with a brief personal letter from you to the President, giving your own perspective and judgment as to (1) what has been accomplished during the past calendar year, (2) what the potential is, as you see it, for solid improvements in the coming year, and (3) what it will take in the way of administrative decisions or legislation if the full potential for savings is to be achieved.

For the remainder of the report, I would suggest that you deal with the following topical categories to the extent that they are applicable, and add to them where they do not cover all of the significant types of actions being taken in your agency. In each category, it would be well to explain concisely what the problem is and the kind of action being taken, together with the best estimates available concerning savings already realized (in dollars or manpower or both), targets set for the coming calendar year, and a description of projects planned. Where

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legislative relief or authorization is needed, this should be indicated. The categories I would suggest are these:

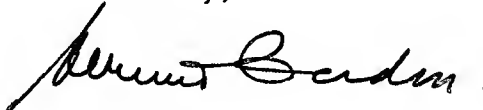
- (1) Reorganizations and consolidations
- (2) Simplifications of systems and procedures
- (3) Conversions to high-speed data handling equipment
- (4) Management surveys
- (5) Improvements in forward planning
- (6) User charges
- (7) Employee incentives
- (8) Manpower economies, including productivity standards
- (9) Procurement and purchasing methods
- (10) Property management, including acquisition and disposal

The foregoing categories relate essentially to management practices. The President's memorandum, in addition, speaks of eliminating or curtailing programs of low utility. I believe that the President would be particularly gratified to have your comments on this question--either as a part of this report or as a separate communication.

You will note that the President has asked that your report be submitted to him promptly. I believe that a reasonable construction of this request would suggest that your report be sent to the President in December or early January.

If I can be of assistance in any way, please let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read "William Borden". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Director

Executive Registry
63-8910

THE WHITE HOUSE

Washington

November 30, 1963

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

I have pledged that the Executive Branch will be administered with the utmost thrift and frugality; that the Government will get a dollar's value for a dollar spent; and that the Government will set an example of prudence and economy.

To carry out this pledge, I intend:

- To examine agency budget requests with the determination to hold the 1965 Budget to the barest minimum consistent with the efficient discharge of our domestic and foreign responsibilities.
- To give you my full support in your efforts to achieve administrative or legislative changes which will eliminate unnecessary procedures, curtail or drop programs of low utility, institute consolidations or other organizational economies, and effect savings in procurement.
- To support salary scales for civil servants, military personnel, and policy officials which will enable you to retain and recruit talented, energetic, and imaginative employees.
- To accord increased recognition to those governmental units and individuals that make notable advances in providing efficient service at lower cost.

To assist me in carrying out my pledge, I ask you:

- To assume personal day-to-day responsibility for making your agency a model of good management and economical administration.

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
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CENTRAL INTELLIGENCE AGENCY OFFICIAL ROUTING SLIP			
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ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE

**Remarks:**

ExecDir-Compt. has action.  
 Copies have gone to:  
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 DD/I  
 DD/P  
 DD/S  
 DD/S&T  
 IG  
 GC  
 John Clarke  
 ExecDir  
 ER

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FROM: NAME, ADDRESS AND PHONE NO.

DATE

O/ExecDir

10 Dec

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DD/S 63-5038

20503

Executive Registry  
73-8686/A

*Carl*  
Honorable Kermit Gordon  
Director, Bureau of the Budget  
Washington, D. C. 20503

Dear Mr. Gordon:

In response to Bureau of the Budget Circular No. 64-7 we have reviewed again the time allowed for lunch and our findings substantiate the conclusions reported to you last June.

As you may know, we have installed in our headquarters building the type of cafeteria service commonly known as the "hollow square" which makes it possible for us to serve 36-42 people per minute as compared with the conventional cafeteria line service which would permit only an average of 16-20 people to be served per minute. Under these circumstances the thirty minute luncheon period is quite satisfactory and we see no need to make any adjustments in the time allowed.

In this connection, and subject only to further advice from you, we plan to continue our present schedule of staggered working hours as approved by the Bureau of the Budget in February 1962.

Sincerely yours,

Lyman B. Kirkpatrick  
Executive Director

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(EXECUTIVE REGISTRY FILE)

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EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

BULLETIN NO. 64-7

November 14, 1963

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Time allowances for lunch periods for executive branch employees in the metropolitan area of Washington, D. C.

1. Purpose. Several agencies have informed the Bureau of the Budget that they wish to change the amount of time allowed for lunch periods for their employees in the metropolitan area of Washington, D. C. In addition, the General Services Administration has proposed a standard lunch period of 45 minutes in connection with its plan for restaggering of duty hours for Federal employees. The purposes of this bulletin are (a) to provide general policy guidelines concerning allowances for lunch periods, (b) to provide for a review by each agency of existing time allowances, and (c) to obtain information from agencies concerning existing allowances and any planned changes.

2. Policies.

a. Time allowances for lunch should be adequate and realistic in relation to the time actually required for employees to obtain meals and return to their work, but should not be longer than is actually necessary to assure that legal and administrative workweek requirements are observed.

b. The head of each agency is responsible for establishing and adjusting as necessary lunch time allowances in his agency, for maintaining proper and reasonable administrative controls, and for consulting on these matters with any organizations representing the agency's employees.

3. Review of existing lunch period allowances. Each agency head is requested to initiate a review of lunch time allowances currently in effect. If time allowances are found to be inadequate and if conditions cannot be corrected by arranging for better meal service facilities, improved scheduling, or other administrative measures, time allowances shall be adjusted accordingly.

4. Reporting results. A statement from the head of each agency or department is requested dealing with the following points:

a. Evidence disclosed by the review as to adequacy or inadequacy of the times allowed for lunch periods.

TRANSMITTAL SLIP		DATE	27 Nov 1963
TO: Executive Director			
ROOM NO. 7E12	BUILDING Hqs.		
REMARKS:  Attached for your signature is a proposed reply to Bureau of the Budget Circular 64-7 dealing with the 30 minute lunch hour. I have purposely remained silent about "Supervisory procedures for insuring observance of the limit of time permitted for lunch." We have never felt it necessary to impose strict procedures to enforce the 30 minute lunch period because the working hours of so many of our people do not fit such a restrictive, regularized pattern.  <div style="border: 1px solid black; width: 150px; height: 30px; margin: 10px auto;"></div> L. K. White			
FROM: Deputy Director for Support			
ROOM NO. 7D18	BUILDING Hqs.	EXTENSION <div style="border: 1px solid black; width: 50px; height: 20px; margin: 0 auto;"></div>	
FORM NO. 241 1 FEB 55		REPLACES FORM 36-8 WHICH MAY BE USED. ☆ GPO : 1957—O-439445 (47)	

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